

Message Text

UNCLASSIFIED

PAGE 01 HALIFA 00340 221840Z

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02

PRS-01 /121 W

-----040138 230334Z /63

R 221830Z JUL 77

FM AMCONSUL HALIFAX

TO RUEHC/SECSTATE WASHDC PRIORITY 1737

INFO AMEMBASSY OTTAWA

ALL AMCONSULS CANADA

UNCLAS HALIFAX 0340

E.O. 11652: N/A

TAGS: ENRG CA

SUBJECT: NEW MONTREAL-HALIFAX GAS PIPELINE PROPOSED

1. ALBERTA GAS TRUNK LINE LTD ANNOUNCED JULY 21
ITS PLAN TO BUILD A GAS PIPELINE FROM MONTREAL TO
QUEBEC CITY TO EDMUNSTON, CHATHAM, SOUTHWEST TO
MONCTON AND TRURO AND END AT HALIFAX. LENGTH OF
PIPELINE WOULD BE 725 MILES AND IT WOULD COST
DOLS 550 MILLION, NOT INCLUDING DISTRIBUTION AND
OTHER ASSOCIATED CHARGES.

2. NS PREMIER GERALD REGAN HAILED THE ALBERTA GAS
ANNOUNCEMENT, SAYING HE HAD BEEN BRIEFED ON IT
JULY 19 WHILE IN OTTAWA. HE INDICATED HE WOULD BE
PRESSING FOR A PIPELINE TERMINAL AT THE STRAIT OF
CANSO. SUCH A TERMINAL WOULD BE IN CLOSE PROXIMITY
TO OFFSHORE GAS RESERVES IN SABLE ISLAND AREA AND
WOULD PERMIT THOSE RESERVES TO BE BROUGHT INTO
PRODUCTION SOONER AND WITH A LESSER AMOUNT OF GAS THAN
WOULD OTHERWISE HAVE BEEN POSSIBLE. A STRAITS OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HALIFA 00340 221840Z

CANSO TERMINAL, MOREOVER, COULD EVENTUALLY RECEIVE
LNG SHIPMENTS FROM SUCH PLACES AS ALGERIA AND MELVILLE
ISLAND IN THE CANADIAN ARCTIC.

3. GAS FLOWS IN NEW PIPELINE WOULD BE REVERSIBLE,
INITIALLY PERMITTING ALBERTAN GAS TO FLOW EASTWARDS,
BUT WITH POSSIBILITY THAT EAST COAST OFFSHORE GAS OR

LNG FROM ARCTIC OR ABROAD WOULD SOMEDAY FLOW WESTWARDS.
ALTHOUGH IT HAS BEEN ANNOUNCED THAT NO PROVINCIAL
.9,36 28)) ?3 4317843\$ *94 5#3 .-8, .9,543-)-HALIFAX
PIPELINE, SPOKESMEN HAVE BEEN VAGUE ABOUT THE
FINANCING OF CONNECTING LINES AND OF THE HOPED-FOR
CANSO STRAITS TERMINAL. THE ECONOMIC VIABILITY OF
THE PROJECT AS A WHOLE, IN FACT, HAS NOT YET BEEN
ESTABLISHED. THE Q AND M PIPE LINES COMPANY (A CREATION
OF ARCTIC GAS AND PETRO-CANADA) HAS BEEN ESTABLISHED
TO CONDUCT AN ENGINEERING, DESIGN, AND MARKETING
STUDY OF THE PROPOSED NEW PIPELINE.

4. COMMENT: ALTHOUGH A NOVA SCOTIA DEPARTMENT OF
DEVELOPMENT SOURCE DENIED TO THE REPORTING OFFICER
THAT THE TIMING OF THE ANNOUNCEMENT OF THE PROPOSED
NEW PIPELINE HAD BEEN AFFECTED IN ANY WAY BY OUTSIDE
CONSIDERATIONS, IT IS NOTEWORTHY THAT THIS NEW SCHEME
HAS SURFACED JUST AT A TIME WHEN TENNECO S PLANS FOR A
SITE FOR A NEW LNG TERMINAL AT LORNEVILLE, NB, HAVE
BECOME SOMEWHAT SHAKY (HALIFAX 0328). SUSPICIOUS-MINDED
OBSERVERS MIGHT CONCLUDE THAT THE TIMING OF THE
ANNOUNCEMENT WAS A TEENY BIT AFFECTED BY NOVA SCOTIA S
DESIRE TO HAVE TENNECO LNG TANKERS CALLING AT THE STRAITS
OF CANSO RATHER THAN AT LORNEVILLE IN NEW BRUNSWICK.
END COMMENT.

MOORE

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 HALIFA 00340 221840Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, PETROLEUM PIPELINES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HALIFA00340
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770263-0271
Format: TEL
From: HALIFAX
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770730/aaaaazlr.tel
Line Count: 94
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 49d45b65-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1781523
Secure: OPEN
Status: NATIVE
Subject: NEW MONTREAL-HALIFAX GAS PIPELINE PROPOSED
TAGS: ENRG, CA
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/49d45b65-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009